

ATARI DEALER NEWS

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STOP THE RUMORS! SELL NOW!

There have been many rumors about Mega STs and the Atari PC. Some may be having a negative impact on your sales of current products. Here is the latest information:

Mega ST computers will not be here until early Summer.

Atari PC computers will not arrive until late Summer.

Please make this very clear to your sales people and to your customers. Atari has a great line of products available immediately -- if your customers need these solutions, we can take care of them now rather than waiting until the more costly future models to arrive.

We have heard that some consumers are waiting for the Mega ST because of the laser printers we announced. There is no need to wait for the Mega, since the laser printer will work with any current ST computer as well as the new models. In fact, laser printers are expected to be available here before the Mega ST.

The same goes for the upcoming blitter chips. When they ship, they will be available for all current ST computers as well as for the Mega ST computers, as a dealer-installed upgrade at a very reasonable price.

Other products with availability issues include the SX212 modem, coming before the end of Spring, and Microsoft Write, which is still in development but taking longer to debug than we expected.

In this business, products often take longer to get out the door than a company expects. Don't let this stop you from selling!

ATARI FIRMLY COMMITTED TO COMPUTER BUSINESS IN USA

If last year was the year of Atari's takeover of the European market, this coming year promises to be the same for the U.S. market. Despite new product announcements from Apple, Commodore, and the constant rumors from giant IBM, Atari is well positioned to become the driving force in the personal computer marketplace.

Marketing Plans

New top level executives have joined the Atari team to bolster our computer marketing efforts. Jerry Brown (no, not the former California governor) has come on board as Vice President, General Manager for Atari US, and Don Reisinger has joined us as Marketing Director for computers.

Jerry Brown brings to Atari a top-notch background in the high end computer business and in computer retailing. He spent years with IBM and several more with Texas Instruments in top level sales and marketing management roles. Most recently at TI he was VP, Corporate Marketing, and was active in TI products including terminals, printers, minis, microcomputers, software, and their advanced 32-bit artificial intelligence processors. At IBM he began as an engineer, then moved to successful positions in sales, marketing, and general management. Among the milestones in his tenure at Big Blue include opening IBM's first computer store, developing the successful VISION workstation, and winning many sales awards. He left IBM in 1984, when he was hired by Jerry Junkins at Texas Instruments as VP, Sales and Marketing.

Augie Liguori is now the VP of Operations for the US sales company. As a team, Jerry and Augie complement each other with a range of skills in operations, finance, marketing, sales management, and general management.

With the addition of Don Reisinger as Marketing Director for computers, Atari adds a wealth of experience to this side of the business. Don was a veteran of Amiga from inception to about a year after Commodore took over. At Amiga, he served first as Marketing Director and later as Western Regional Sales Manager, where he worked closely with computer specialty dealers. At Atari, Don is responsible for all phases of computer marketing including advertising, promotions, pricing, trade shows, etc.

Atari has also appointed a new computer advertising agency, Messner, Vitare, Berger, and Carey, of New York. The agency's principals include members of the creative team responsible for Commodore's highly successful Commodore 64 advertising from a few years back. Currently under preparation is a series of hard-hitting and entertaining TV commercials for the ST computers. These ads will start to run in the Spring with a heavy schedule toward the end of the year.

1986 in review

Buoying us into 1987 was a hugely successful year for business in 1986. The November 7th public offering freed the company from debt while raising funds for R & D. Wall Street reacted by bidding up the stock's price from its initial \$11.50 per share to a recent price of about \$25. Year end results showed sales increasing to \$254 million, an 82% increase over 1985.

One interesting piece of fact: according to Sam Tramiel, in the final quarter of 1986, as many Atari ST computers were sold worldwide as Apple Macintosh's. Many of these ST's were sold in Europe, where the ST has rapidly taken hold as the dominant computer brand.

During 1986 there were many favorable industry and press reports on Atari products. At the end of the year, Byte Magazine's two columnists, Jerry Pournelle and Bruce Webster, both awarded ST computers their picks as best computers of the year, ahead of the Mac Plus and the Amiga. Earlier, the ST's were praised by such diverse sources as Computer Graphics World and Electronic Musician for their applications in the arts.

To fuel the grass roots interest in Atari computers, a series of regional Atari Fairs was launched, with 4 successful fairs in 1986 and over 12 more scheduled for 1987. Thousands of eager consumers had the chance to experience first-hand Atari's brand of excitement, as demonstrated by Atari staffers, software developers, and computer retailers.